

# Decision Memo for Blood Counts (Revision of CPT Codes) (CAG-00182N)

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## Decision Summary

CMS intends to add the following CPT codes to the blood counts NCD: 85004, 85032, and 85049.

Pursuant to section 1869(f)(1)(B) of the Social Security Act, the term “national coverage determination” means a determination by the Secretary with respect to whether or not a particular item or service is covered nationally under this title [XVIII], but does not include a determination of what code, if any, is assigned to a particular item or service covered under this title or a determination with respect to the amount of payment made for a particular item or service so covered.” Thus, the addition of the CPT codes to given services will not be subject to review under section 1869(f).

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## Decision Memo

**This decision memorandum does not constitute a national coverage determination (NCD). It states CMS's intent to issue an NCD. Prior to any new or modified policy taking effect, CMS must first issue a manual instruction giving specific directions to our claims-processing contractors. That manual issuance, which includes an effective date, is the NCD. If appropriate, the Agency must also change billing and claims processing systems and issue related instructions to allow for payment. The NCD will be published in the Medicare Coverage Issues Manual. Policy changes become effective as of the date listed in the transmittal that announces the Coverage Issues Manual revision.**

TO: Administrative File: CAG-00182N  
Blood Counts (Revision of CPT Codes)

FROM:

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RE: Coverage Decision Memorandum for Current Procedure Terminology (CPT) Codes for Blood Counts  
National Coverage Determination (NCD)

DATE: March 21, 2003

This memorandum serves the purpose of addressing modification of the blood counts national coverage determination (NCD) to include three new Current Procedure Terminology (CPT) codes created as part of the American Medical Association (AMA) annual update of CPT.

## **Background**

In accordance with section 4554 of the Balanced Budget Act of 1997, CMS entered into negotiations with the laboratory community regarding coverage and administrative policies for clinical diagnostic laboratory services. As part of these negotiations, we promulgated a rule that included 23 NCDs. One of these NCDs was for blood counts. The rule was proposed in the March 10, 2000 edition of the Federal Register (65 FR 13082) and was made final on November 23, 2001 (66 FR 58788). The final rule called for a 12-month delay in effectuating the NCDs in accordance with the recommendations of the negotiating committee. Thus, the NCDs became effective on November 25, 2002.

In the blood counts NCD, CMS determined that coverage of specific blood count tests is reasonable and necessary for certain medical indications. The NCD contains a narrative describing the indications for which the tests are reasonable and necessary.

We developed a list of ICD-9-CM codes entitled "ICD-9-CM codes denied," and listed diagnosis codes that are never covered by Medicare. We also developed another list of codes entitled "ICD-9-CM codes that do not support medical necessity." This list includes codes that generally are not considered to support a decision that the test is reasonable and necessary, but for which there are limited exceptions. Tests in this category may be covered only when they are accompanied by additional documentation that supports a determination of reasonable and necessary.

We determined that blood count testing was reasonable and necessary for so many different diagnoses that we displayed the list of ICD-9-CM codes that may be covered using an exclusionary approach. That is, rather than displaying the ICD-9-CM codes that designate diagnoses/conditions that fit within the narrative description of indications that support the medical necessity of the test, as we do for the other 22 NCDs that were negotiated, we display the ICD-9-CM codes that are not covered or that do not support medical necessity. For all other ICD-9-CM diagnosis codes, there is a presumption that blood count testing is reasonable and necessary.

We also determined that in order to add new codes to the first category which lists covered codes, a determination would have to be made that the code corresponds to the narrative description of the indication covered or there would need to be scientific evidence to support a determination that the test should be covered for this additional indication.

The ICD-9-CM Coordination and Maintenance Committee has been developed to address the need for new diagnosis codes to clearly identify medical conditions in a coding format. The Coordination and Maintenance Committee holds public meetings regularly throughout the year to discuss the need for new ICD-9-CM codes and to refine existing codes. Coding updates are made annually and become effective October 1 of each year.

CPT codes are owned and maintained by the AMA. The AMA convenes the CPT Editorial Panel quarterly to consider requests and suggestions for changes to CPT. Portions of the CPT panel meetings are open to the public for the opportunity to make presentations and participate in open discussion. CPT changes are announced annually and become effective January 1 of each year. Medicare uses CPT codes to identify laboratory services billable to the program.

## **History of Medicare Coverage**

Subsequent to the development of the proposed NCDs and public comment period, the AMA Editorial Panel for CPT made significant revisions to the hematology codes used to report blood count testing. The changes included the removal of seven CPT codes that had been included in the blood count testing NCD. Specifically, these codes were 85021, 85022, 85023, 85024, 85031, 85590, and 85595. It also made changes to the description of several other CPT codes included in the NCD. Specifically the descriptions of the following codes were altered: 85007, 85008, 85014, 85025, 85027, and 85048. We have incorporated these changes into the April 2003 update of the NCD edit software and NCD Coding Manual because we regard these changes as ministerial and not substantive.

In addition, the 2003 AMA CPT update included the creation of three new hematology codes that are not presently included in the blood count testing NCD. These new codes include the following:

- 85004 Blood count automated differential white blood cell (WBC) count
- 85032 Manual cell count (erythrocyte, leukocyte, or platelet) each
- 85049 Platelet, automated

On January 28, 2003, we formally accepted an internally generated request to evaluate whether to add these new CPT codes to the blood count testing NCD. We invited public comments through February 28, 2003. The only comment we received was from the College of American Pathologists (CAP). CAP supports the addition of the proposed new hematology codes to the blood counts NCD.

## **CMS Analysis**

During the negotiation meetings that led to the development of the 23 clinical diagnostic laboratory NCDs, we clearly stated our intent that the narrative of the NCDs reflect the substance of the determinations. The addition of the coding lists was intended as a convenience to the laboratories and as a means of ensuring consistency among the Medicare claims processing contractors as they interpreted the narrative conditions that support coverage. In Program Memorandum AB 02-110 we stated our intent as follows:

“The codes included in the NCDs are intended to flow exclusively from the narrative of the NCDs. Therefore, requests for the addition of primary diagnosis codes must include rationale demonstrating the provision of the narrative that supports the inclusion of the code or scientific evidence supporting the inclusion of the condition to the narrative portion of the NCD. Clerical maintenance of the coding lists will be made without following the NCD process. Clerical maintenance may include such actions as revising codes to be consistent with the annual CPT and ICD-9-CM coding updates, expansion of codes to full range of digits, and correction of code errors that may exist.”

Given our statement regarding clerical code maintenance we believed it appropriate to make the changes related to deleting hematology codes and changing codes descriptions to the NCDs without going through the NCD process. That is, had we not deleted the codes or changed the descriptions, we would have NCDs that reflect codes that do not exist or that contain incorrect descriptions. However, we believe that adding new codes to the NCDs is only appropriate when we determine that these codes flow from the existing narrative or there is scientific evidence to support the inclusion of the new conditions. No scientific evidence was submitted or reviewed related to these new CPT codes.

The narrative description of the blood counts in the NCD notes that blood count testing includes hemogram, differential white blood count, enumeration of red blood cells, white blood cells, and platelets, as well as a determination of hemoglobin, hematocrit, and indices. New CPT codes that capture these inherent portions of the blood counts as outlined in the description should be added to the NCD list of HCPCS codes covered by the NCD.

We believe that the three proposed codes meet the description of blood counts contained in the narrative portion of the NCD and are essentially the same as the CPT codes that were in the blood counts NCD as negotiated. That is, CPT code 85049, platelet, automated is included in the description of blood counts and is essentially the same as deleted code 85595, platelet, automated count. New code 85032 is a manual cell count and can be billed for each type of cell counted (red, white or platelet). The description of this code includes red, white and platelet counts. Furthermore, manual platelet counts was included in the original NCD as now delete code 85590, while manual white blood counts were in the original blood counts NCD in several codes, such as 85022 and 85023. New code 85004 is for a blood count with automated differential white blood cell (WBC) count. Similarly WBC is included in the narrative description of blood counts in the NCD. In addition, deleted code 85021 included blood counts with automated indices, including WBC. Thus, we believe that these new codes are clearly within the description of the blood counts NCD and replace codes that had been deleted from the original blood counts policy.

## **Decision**

CMS intends to add the following CPT codes to the blood counts NCD: 85004, 85032, and 85049.

Pursuant to section 1869(f)(1)(B) of the Social Security Act, the term "national coverage determination" means a determination by the Secretary with respect to whether or not a particular item or service is covered nationally under this title [XVIII], but does not include a determination of what code, if any, is assigned to a particular item or service covered under this title or a determination with respect to the amount of payment made for a particular item or service so covered." Thus, the addition of the CPT codes to given services will not be subject to review under section 1869(f).

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